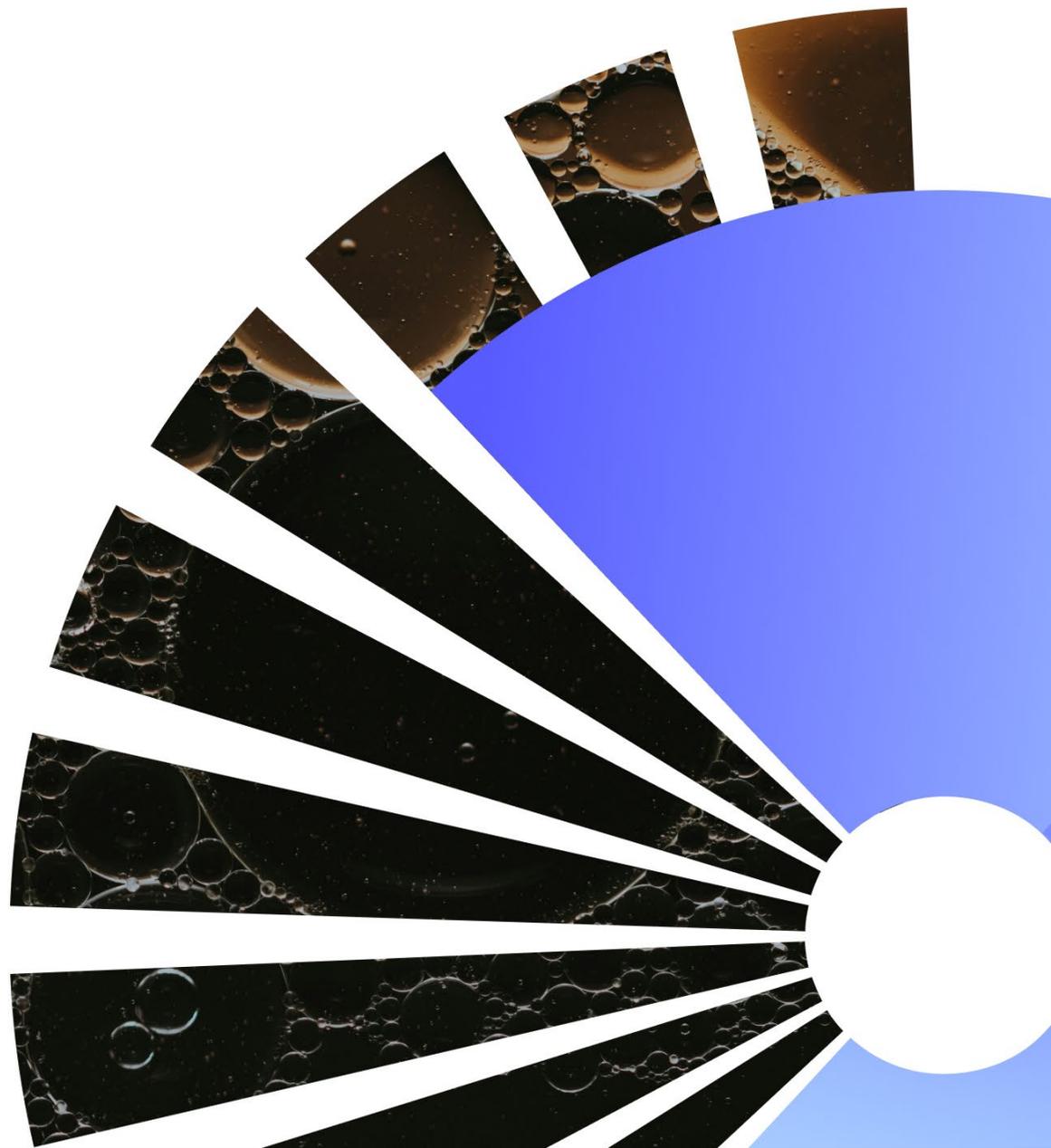


INVESTOR BULLETIN

ACCR RESPONSE TO BP'S NOTICE OF MEETING 2026

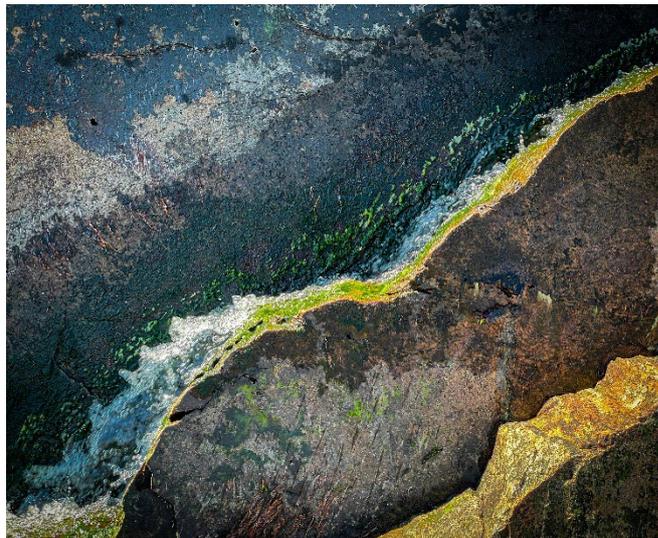
16 March 2026



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We engage with listed companies and investors globally, enabling and facilitating active stewardship. Our research team undertakes company-focused research into the climate transition plans of listed companies, offering analysis, research and insights to assist global institutional capital understand investment risks and opportunities during the energy transition.



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ACCR RESPONSE TO BP'S NOTICE OF MEETING 2026

ACCR has reviewed BP's response¹ to the co-filed shareholder proposal² ("Resolution 24"). In our view, the response does not provide adequate information for investors seeking enhanced disclosure on upstream capital allocation. BP has recommended that shareholders vote against Resolution 24.

The resolution was filed in response to investor concerns about BP's long-term performance and the company's plans to increase spending on new oil and gas projects. Investors are seeking greater transparency on how BP ensures these investments are disciplined and capable of generating acceptable returns.

Key points

In our view, BP's response, as set out in its Notice of Meeting,³ does not address the core issues raised in the resolution. BP:

- points to a reduction in *overall capex* as evidence of its commitment to capital discipline.⁴ However, the resolution is focused on *upstream capex* – for which the company updated its guidance to increase from \$8.5bn to \$10bn per annum for 2025 to 2027.⁵
- cites the focus of the resolution on shareholder returns as "overly narrow".⁶ However, shareholders expect the company to deliver acceptable returns and BP's prolonged relative underperformance in terms of total shareholder returns has been well documented.⁷
- states that the request is "duplicative", and that it "already discloses how it promotes a disciplined approach to capital expenditure and expected rates of return".⁸ However, the cited disclosures do not respond to the specific asks of the resolution for the reasons outlined below.

Why Resolution 24 matters for investors

BP provided updated guidance at the February 2025 Capital Markets Update that upstream capital expenditure from 2025-27 will increase from the previous guidance of \$8.5bn to \$10bn per annum. For investors, the key question is whether capital is being deployed in projects that are competitive, resilient and capable of generating acceptable returns.

Resolution 24 seeks disclosure that would allow investors to assess this. The information requested is reasonable, decision-useful and consistent with disclosures already provided by some industry peers.

(a) How does BP assess the relative cost-competitiveness of new projects?

BP states that it has a "top-tier oil and gas business in attractive basins"⁹ but has not provided disclosure enabling investors to assess this. This information is highly material, as ACCR's previous research shows that the company's gas assets are, on average, more expensive than 76% of global pre-FID supply; and its oil

¹ BP, "Appendix 3: Resolution 24," in *Notice of bp Annual General Meeting 2026*, (Self-published, 2026), p. 23, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2026.pdf>.

² "Shareholder Resolution to BP plc on Upstream Capital Expenditure Disclosures," ACCR, published Feb 3, 2026, <https://www.accr.org.au/posts/shareholder-resolution-to-bp-plc-on-upstream-capital-expenditure-disclosures/>.

³ BP, "Appendix 3: Resolution 24," in *Notice of bp Annual General Meeting 2026*, (Self-published, 2026), p. 23, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2026.pdf>.

⁴ *Ibid.*

⁵ BP, *Capital Markets Update: February 2025*, (Self-published, 2025), pp. 15-16 & 23-24, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-cmd-2025-presentation-slides.pdf>.

⁶ BP, "Appendix 3: Resolution 24," in *Notice of bp Annual General Meeting 2026*, (Self-published, 2026), p. 23, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2026.pdf>.

⁷ ACCR, *Moving BP from rhetoric to action on capital discipline*, (Self-published, 2025), p. 6, https://www.accr.org.au/downloads/accr_bp_rhetorictoaction_capitaldiscipline_261125.pdf.

⁸ BP, "Appendix 3: Resolution 24," in *Notice of bp Annual General Meeting 2026*, (Self-published, 2026), p. 23, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2026.pdf>.

⁹ BP, *bp Annual Report and Form 20-F 2025*, (Self-published, 2026), p. 12, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2025.pdf>.

assets are, on average, more expensive than 53% of global pre-FID supply.¹⁰ Similar analysis is already provided by peers such as Total.¹¹

(b) How does BP account for cost overruns and delays in project schedules?

BP highlights that seven major projects started up in 2025, including five reportedly ahead of schedule. However, existing disclosures do not indicate whether these projects were delivered on budget or how project execution risks are incorporated into investment decisions.

In addition, these disclosures only cover projects started in 2025. ACCR's analysis of BP disclosures since 2015 indicates that over 60% of BP projects with disclosed target start-up dates since that time were delivered later than planned.¹²

Disclosures made in BP's 2025 Annual Report suggest the company already has in place the processes and data required to meet the asks of the resolution and understands its investments' sensitivity to cost and schedule slips. This suggests that it would not be overly burdensome for the company to provide the requested disclosures or require extensive new internal processes.

(c) How does continued exploration capex create value for BP's shareholders?

BP's existing disclosures provide information about exploration activities (e.g. new discoveries, exploration capex). The resolution seeks disclosure around how BP assesses the expected value of its planned exploration.

BP points to 12 exploration discoveries in 2025, including its largest discovery in 25 years. However, this does not explain how BP ensures that continued exploration capex creates value for shareholders.

This remains a highly material question for BP's shareholders, as the company's conventional exploration has become less successful, more expensive and less productive over time.¹³ The company's spending on exploration was 20% higher than the annual average for this decade.¹⁴

¹⁰ ACCR, *Moving BP from rhetoric to action on capital discipline*, (Self-published, 2025), p. 14, https://www.accr.org.au/downloads/accr_bp_rhetorictoaction_capitaldiscipline_261125.pdf

¹¹ TotalEnergies, *2024 Strategy & Outlook*, (Self-published, 2024), pp. 23 & 30, https://totalenergies.com/sites/g/files/nytnzq121/files/documents/totalenergies_2024-strategy-and-outlook-presentation_2024_en_pdf.pdf.

¹² Percentage is based on share of greenfield capex.

¹³ ACCR, *Moving BP from rhetoric to action on capital discipline*, (Self-published, 2025), p. 12, https://www.accr.org.au/downloads/accr_bp_rhetorictoaction_capitaldiscipline_261125.pdf.

¹⁴ ACCR analysis of BP, *bp Annual Report and Form 20-F 2025*, (Self-published, 2026), pp. 242-247, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2025.pdf>; BP, *bp Annual Report and Form 20-F 2023*, (Self-published, 2024), pp. 250-253, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2023.pdf>; BP, *bp Annual Report and Form 20-F 2021*, (Self-published, 2022), pp. 257-258, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2021.pdf>.

BP'S RESPONSE TO RESOLUTION 24 – DETAILED ACCR VIEW

BP response ¹⁵	ACCR view
<p>BP points to “strong progress in delivery of the reset strategy” over the last year, including: “Seven new major projects were started up – five ahead of schedule – and a new record was set in upstream plant reliability.”</p>	<p>Based on existing disclosures, it is not possible to validate the statement that five projects were started up ahead of schedule. BP has also not disclosed:</p> <ul style="list-style-type: none"> • which, if any, projects were completed on budget • whether its 2025 performance is typical • how it factors project cost and schedule, risk and performance into its investment process. <p>Our analysis of all new projects approved since 2015 shows that over 60%¹⁶ of those with announced target start-up dates were delivered late (see Appendix).</p>
<p>BP states “12 exploration discoveries were announced, including bp’s largest in 25 years, and bp’s reserves replacement ratio increased to 90% – up from an average of around 50% in the prior two years.”</p>	<p>BP does not address the value of the 12 exploration discoveries, or whether its exploration program is creating or eroding value.</p> <p>We estimate that Bumerangue would generate enough value to fund about 8 months of BP’s exploration costs (see Appendix).</p>
<p>BP states the resolution is “duplicative – the company already discloses how it promotes a disciplined approach to capital expenditure and expected rates of return, in bp’s investor communications, and in bp’s <i>Annual Report and Form 20-F 2025</i>”.</p> <p>BP references five sections of its 2025 Annual Report.</p>	<p>These references are general and do not specifically address the asks of the resolution.</p> <p>The Annual Report indicates that BP conducts an “annual effectiveness of investment review, which tracks investments’ delivery against the assumptions used in [our] investment cases”, and that “around two years after completion, investments above defined financial thresholds also prepare a post project evaluation to share lessons learned across bp businesses – including reviews of strategic, commercial, and technical assumptions, decisions, and delivery”.¹⁷</p> <p>This suggests the company already has in place the processes and data required to meet the asks of the resolution and understands its investments’ sensitivity to cost and schedule slips.</p>

¹⁵ BP, “Appendix 3: Resolution 24,” in *Notice of bp Annual General Meeting 2026*, (Self-published, 2026), p. 23, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2026.pdf>.

¹⁶ See Appendix. Percentage based on share of greenfield capex.

¹⁷ BP, *bp Annual Report and Form 20-F 2025*, (Self-published, 2026), pp. 20-23, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2025.pdf>.

<p>BP states the resolution is “overly narrow – it focuses only on returns and omitting other important investment considerations prioritized by the company.”</p>	<p>The resolution seeks enhanced disclosure to assure investors that the company’s approach to capital allocation is aimed at generating an acceptable return on capital.</p> <p>The degree to which the company is investing in new projects that will generate an acceptable return on capital is directly relevant.</p>
<p>BP states that “As described on page 22 of bp’s Annual Report and Form 20-F 2025, all investment cases must set out their investment merits and are considered against a set of six balanced investment criteria; strategic alignment, safety and risks, sustainability, investment economics, volatility and rateability and optionality and integration.”</p> <p>On “strategic alignment”, the 2025 Annual Report states that “For all investment cases, we consider whether the investment supports delivery of our strategy, including our net zero aims.”¹⁸</p>	<p>The “strategic alignment” criteria referenced meets an obligation imposed on BP by the 2019 shareholder resolution filed by Climate Action 100+,¹⁹ which passed with more than 99% shareholder support. BP is currently attempting to revoke this former resolution via Resolution 23.²⁰</p>
<p>BP states that the resolution is “out of date – it fails to reflect progress by the company as stated above, including in project delivery, exploration success and capital discipline and efficiency.”</p>	<p>The resolution provides an opportunity for BP to demonstrate any progress it has made in enhancing capital discipline to support shareholder value. This remains undisclosed.</p>

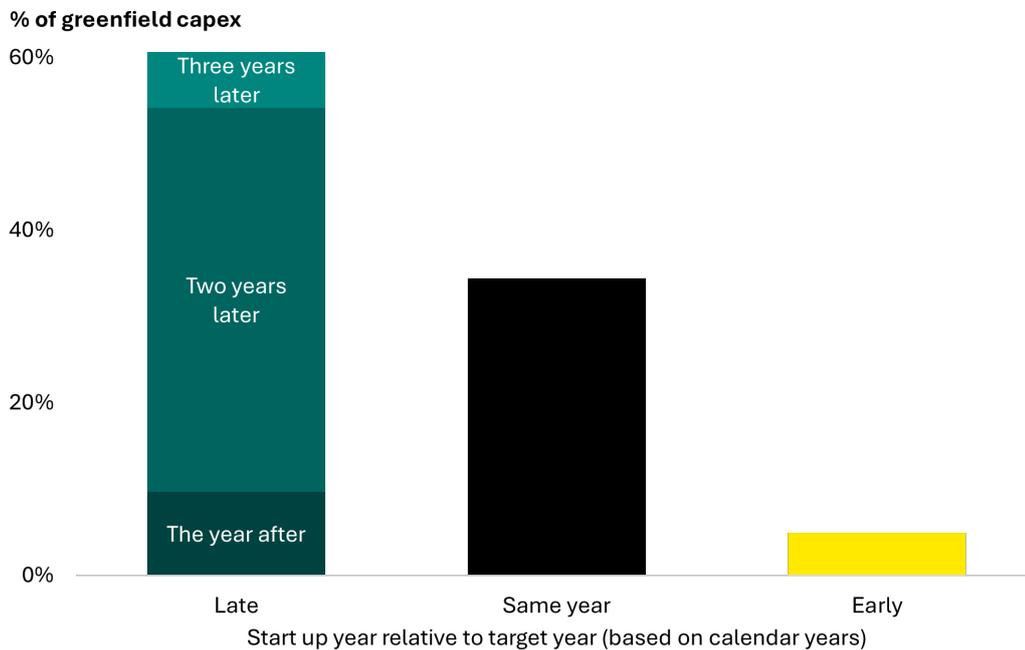
¹⁸ Ibid., p. 22.

¹⁹ BP, *Notice of BP Annual General Meeting 2019*, (Self-published, 2019), p. 4, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2019.pdf>.

²⁰ BP, *Notice of bp Annual General Meeting 2026*, (Self-published, 2026), p. 10, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-agm-notice-of-meeting-2026.pdf>.

APPENDIX A: ADDITIONAL ACCR RESEARCH

61% of BP's projects with a disclosed target start-up date were late



Of the projects that reached FID, started up before the end of 2025, and disclosed a target start-up date, 61% started up late.²¹

For most of the projects, BP does not disclose a budget.

Of BP's seven "major projects"²² that started up in 2025:

- two started up late (GTA and Mento)
- one started up in its target year (Cypré)
- we cannot identify a target start-up date for four (Argos expansion, Atlantis, Murlach and Raven infills).

We have not identified a BP-disclosed budget for any of these projects.

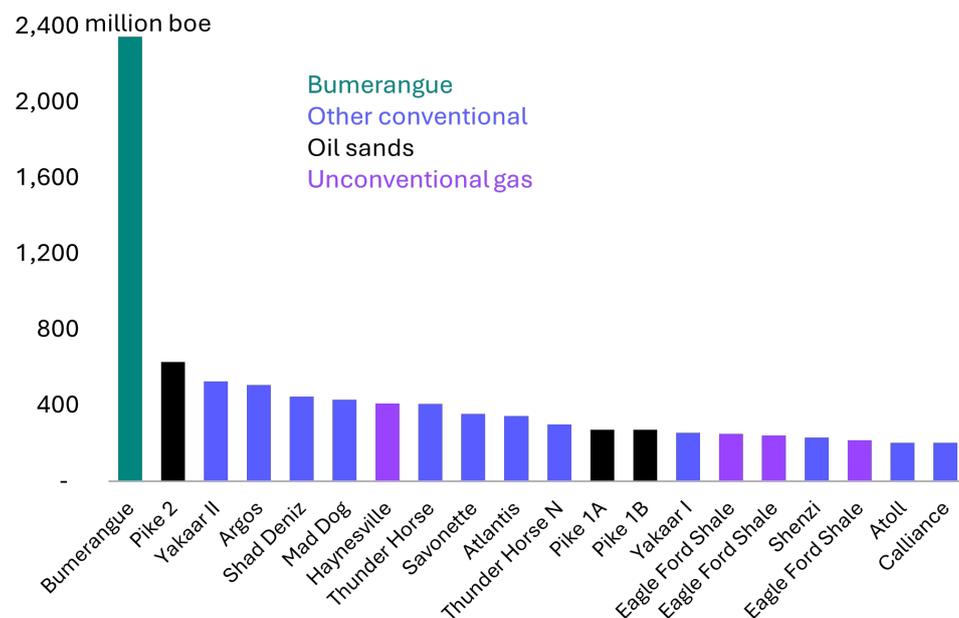
We identified 36 of BP's projects, of which 21 have a disclosed expected start-up year and came online by end-2025. These 21 projects represent approximately 63% of BP's total approved greenfield capex between 2015 and 2024. The remaining capex generally falls outside of BP's consolidated reporting or was acquired post-FID.

²¹ The disclosures considered are BP's annual reports 2015-2024; percentages refer to greenfield capex of the project portfolio, as per Rystad Energy data.

²² BP, "Energy delivered: One year, seven big projects," *Energy in focus magazine*, 14 January 2026. <https://www.bp.com/en/global/corporate/news-and-insights/energy-in-focus/one-year-six-big-projects.html>.

BP's Bumerangue may not deliver material shareholder value

Discovered resources under base prices



BP discovered Bumerangue in 2025 – its discovery largest in 25 years.

Based on Rystad Energy data – which is likely to be updated as BP discloses additional appraisal information – Bumerangue will generate²³:

- \$860 million NPV under forward prices, based on \$3 billion of greenfield capex and 1.6 billion boe of production
- \$4.2 billion NPV under Rystad Energy's base price deck, based on \$6 billion of greenfield capex and 2.3 billion boe of production.

Bumerangue (Phase 1 and 2) has a higher break-even price than 81% of global pre-FID oil supply that could reach FID by 2035.

On average, BP has spent \$1.3 billion on exploration each year this decade.²⁴ Under a forward price deck, this discovery could therefore fund BP's exploration costs for about 8 months.

²³ NPV incorporates all cash flows from 2026 and a 12.2% discount rate that accounts for country risk. Forward price deck has a \$58/bbl Brent price, or \$69/bbl under Rystad's base deck (RT25; simple average from 2026-2050). Capex is present value terms using the same base year and discount rate as for the NPV calculation. Inputs and calculations as of 10 March 2026.

²⁴ ACCR analysis of Rystad Energy data.